

STATE OF INDIANA)
) SS:
COUNTY OF HENDRICKS)

IN THE HENDRICKS SUPERIOR COURT

CAUSE NO. 32P03-0710-PL-42

STATE OF INDIANA,)

Plaintiff,)

v.)

DAILY BREW BUILDING SALES, LLC,)

Doing business as)

BEAR CREEK COFFEE Company,)

Defendant.)

FILED
CLERK OF HENDRICKS COUNTY
2007 OCT -9/ AM 8:31
J. Ward

**COMPLAINT FOR INJUNCTION,
CIVIL PENALTIES, COSTS, AND RESTITUTION**

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Lisa Ward, petitions the Court, pursuant to the Indiana Business Opportunity Transactions Act, Ind. Code § 24-5-8-1 *et seq.*, and the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*, for consumer restitution, injunctive relief, civil penalties, costs, and other relief.

PARTIES

1. Plaintiff, State of Indiana, has the authority to prosecute this Complaint pursuant to Ind. Code §§ 24-5-8-20 and 24-5-0.5-4(c).

2. Defendant, Daily Brew Building Sales, LLC ("Daily Brew") is a duly registered domestic limited liability company with a principal place of business located at 8103 East U. S. Highway 36, Avon, Indiana 46123.

FACTS

3. Defendant Daily Brew, doing business as Bear Creek Coffee Company ("Bear Creek"), solicits and sells business opportunities through its website,

www.bearcreekcoffee.com, whereby investors receive all equipment and training necessary for opening and operating a coffee shop or kiosk. Out of state investors have the option of licensing the name Bear Creek.

4. Defendant's web site solicits investors in Indiana and elsewhere.

5. Defendant failed to file with the consumer protection division of the Office of the Attorney General a copy of the disclosure statement required by Ind. Code § 24-5-8-2 and a copy of the bond required by Ind. Code § 24-5-8-3, and to pay the initial filing fee of Fifty Dollars (\$50.00) prior to advertising or making any other representations to any investor in Indiana, as required by Ind. Code § 24-5-8-4.

A. Allegations Regarding William Schaugg

6. On or about January 7, 2006, William Schaugg of Rochester Hills, Michigan contracted with Defendant to purchase a drive-through coffee shop business, which was to include a kiosk to be manufactured by Defendant and licensing of the name Bear Creek Coffee, for a total price of Ninety-Two Thousand Five Hundred Dollars (\$92,500.00). A copy of this contract is attached hereto and incorporated by reference as "Exhibit A."

7. On or about October 8, 2005, Schaugg had paid to Defendant an initial cash payment of Twenty Thousand Dollars (\$20,000.00).

8. Defendant's contract with Schaugg failed to include the following information, as required by Ind. Code § 24-5-8-6:

- a. the name and business address of Defendant's agent in Indiana authorized to receive service of process;

b. a detailed description of any training that Defendant undertakes to provide to the investor; and

c. a statement of the investor's thirty (30) day right to cancel the contract.

9. Defendant did not provide Schaugg with a copy of a disclosure document containing the information required by Ind. Code § 24-5-8-2.

10. Defendant did not obtain a surety bond in favor of the State of Indiana for the use and benefit of investors, as required by Ind. Code § 24-5-8-3, prior to its transaction with Schaugg.

11. After plans to place the business at two (2) proposed locations failed, and citing lack of funding as well as inadequate business support from Defendant, Schaugg informed Defendant, in January 2007, that he wished to halt the process and receive a refund of his Twenty Thousand Dollar (\$20,000.00) payment.

12. Defendant replied to Schaugg's request by stating that Defendant would not issue a refund check for that amount because Defendant did not keep that amount of money on hand.

13. The letter of intent signed by Defendant and Schaugg on October 8, 2005 represented that, "The deposit is 100% refundable immediately anytime after the visit on 6/25 if the purchasers decide not to purchase the specialty coffee drive-thru business." A copy of the letter of intent is attached hereto and incorporated by reference as "Exhibit B."

14. To date, Schaugg has received no refund from Defendant.

B. Allegations Regarding Dr. Richard Marz

15. On or about November 6, 2005, Dr. Richard Marz of Statesboro, Georgia contracted with Defendant for equipment and training needed to open and operate a coffee shop. Defendant was also to provide design services for the shop, which was to be located in a building chosen by Marz.

16. Marz paid to Defendant an initial cash payment of Sixteen Thousand Two Hundred Fifty Dollars (\$16,250.00) towards the total business opportunity cost of Thirty-Two Thousand Five Hundred Dollars (\$32,500.00) on or about November 23, 2005. Defendant represented in its letter of intent that the payment was refundable "until we start the manufacturing process."

17. Defendant's contract with Marz failed to include the following required information, as required by Ind. Code § 24-5-8-6:

- a. the name and business address of Defendant's agent in Indiana authorized to receive service of process;
- b. a detailed description of any training that Defendant undertakes to provide to the investor; and
- c. a statement of the investor's thirty (30) day right to cancel the contract.

18. Defendant did not provide Marz with a copy of a disclosure document containing the information required by Ind. Code § 24-5-8-2.

19. Defendant did not obtain a surety bond in favor of the State of Indiana for the use and benefit of investors, as required by Ind. Code § 24-5-8-3, prior to its transaction with Marz.

20. On or around January 24, 2006, Marz notified defendant that the financing had fallen through for the building where his coffee shop was to be located. Marz attempted to seek out another investor so that he could move forward with the planned coffee shop, but was unable to do so.

21. To the best of Plaintiff's knowledge and belief, the manufacturing process had not yet commenced as of that date.

22. On or around February 9, 2006, Marz and Defendant began discussing how much of a refund was owed to Marz. An amount of Twelve Thousand Seven Hundred Fifty Dollars (\$12,750.00) was ultimately established as the amount to be refunded to Marz.

23. Marz made repeated requests for his refund. Eventually, Defendant represented that it would issue the refund in two (2) installments of Six Thousand Three Hundred Seventy-Five Dollars (\$6,375.00) each, to be paid on June 19 and June 26, 2006.

24. Marz did not receive any of his refund until on or around January 3, 2007, when he received a check from Defendant for Six Thousand Two Hundred Fifty Dollars (\$6,250.00).

25. To date, Marz has not received the remaining Six Thousand Five Hundred Dollars (\$6,500.00) owed to him by Defendant.

C. Allegations Regarding Gaylyn Woodruff

26. On or about March 11, 2006, Gaylyn Woodruff of Melbourne, Florida contracted with Defendant to purchase a drive-through coffee shop business, which was to include a kiosk to be manufactured by Defendant and licensing of the name Bear

Creek Coffee, for a total price of Ninety-Two Thousand Five Hundred Dollars (\$92,500.00). At this time, Woodruff paid to Defendant an initial cash payment of Twenty Thousand Dollars (\$20,000.00).

27. In handwritten additions to the Licensing Agreement and the Asset Purchase Agreement (attached hereto and incorporated by reference as "Exhibit C" and "Exhibit D," respectively), Defendant represented that the contracts were contingent on the licensee's (Woodruff's) satisfaction with the shop's location and the lease. The additions, which were each initialed by both parties, further stated that if Woodruff was not satisfied, her payment was refundable in full, less deductions for any real estate fees.

28. Defendant's contract with Woodruff failed to include the following information, as required by Ind. Code § 24-5-8-6:

- a. the name and business address of Defendant's agent in Indiana authorized to receive service of process;
- b. a detailed description of any training that Defendant undertakes to provide to the investor; and
- c. a statement of the investor's thirty (30) day right to cancel the contract.

29. Defendant did not provide Woodruff with a copy of a disclosure document containing the information required by Ind. Code § 24-5-8-2.

30. Defendant did not obtain a surety bond in favor of the State of Indiana for the use and benefit of investors, as required by Ind. Code § 24-5-8-3, prior to its transaction with Woodruff.

31. In April 2006 Woodruff informed Defendant that she would not be able to proceed with the business due to a family illness and asked Defendant to refund her

payment.

32. Woodruff and Defendant exchanged many emails over the following months, with Defendant repeatedly representing to Woodruff that she would receive a full refund.

33. On or around October 11, 2006, Defendant paid Woodruff Five Thousand Dollars (\$5,000.00) of the Twenty Thousand Dollars (\$20,000.00) owed to her. The check was returned for insufficient funds.

34. On or around October 25, 2006, Defendant reissued a check to Woodruff for Five Thousand Dollars (\$5,000.00).

35. On or around May 16, 2007, Defendant and Woodruff agreed to an installment plan for payment of the remainder of her refund. Defendant, by the terms of the payment plan, represented that it would pay Woodruff One Thousand Dollars (\$1,000.00) per month until Woodruff was fully refunded, with an additional Five Thousand Dollars (\$5,000.00) paid on November 16, 2007.

36. Defendant has failed to adhere to the terms of the payment plan it had proposed and, to date, Woodruff has received only Two Thousand Dollars (\$2,000.00) of the remaining Fifteen Thousand Dollars (\$15,000.00) owed to her by Defendant.

**COUNT I – VIOLATIONS OF THE BUSINESS OPPORTUNITY
TRANSACTIONS ACT**

37. The State of Indiana realleges and incorporates by reference the allegations contained in paragraphs 1 through 36 above.

38. The transactions described in Paragraphs 6, 15, and 26 are sales of “business opportunities” as defined by Ind. Code §24-5-8-1.

39. Defendant’s failure to file with the Consumer Protection Division of the

Office of the Attorney General a copy of the disclosure statement and surety bond and pay the initial filing fee of fifty Dollars (\$50.00) prior to placing any advertisement or making any representation to any Indiana investor about its business opportunity, as referenced in paragraph 5 above, violates Ind. Code § 24-5-8-4.

40. Defendant's failure to provide investors, including but not limited to Schaugg, Marz, and Woodruff, with the disclosures required by Indiana law at least seventy-two (72) hours before the earlier of the investors' execution of a business opportunity contract with the Defendant or receipt of any consideration by the Defendant, as referred to paragraphs 9, 18, and 29 above, violates Ind. Code § 24-5-8-2.

41. Defendant's failure to obtain a surety bond in favor of the State of Indiana, as referred to in paragraphs 10, 19, and 30 above, violates of Ind. Code § 24-5-8-3.

42. Defendant's failure to include in its contracts the information referenced in paragraphs 8, 17, and 28 above violates Ind. Code § 24-5-8-6(b).

43. Defendant's act of requiring Schaugg, Marz, and Woodruff to make initial cash payments exceeding twenty percent (20%) of the initial payments, as referred to in paragraphs 7, 16, and 26 above, violates Ind. Code § 24-5-8-11 in that those payments exceeded twenty percent (20%) of the initial payment and, to the best of Plaintiff's knowledge and belief, the funds in excess of the twenty percent (20%) amount were not placed in an escrow account in accordance with Ind. Code § 24-5-8-12.

44. Due to the foregoing violations of Ind. Code § 24-5-8-2, investors, including Schaugg, Marz, and Woodruff, have a statutory right to cancel their business opportunity contracts with Defendant in accordance with Ind. Code § 24-5-8-15.

45. Due to the foregoing violations of Ind. Code § 24-5-8-6, as well as Defendant's misleading statements regarding refunds, as referred to in paragraphs 13, 16, and 27 above, investors, including Schaugg, Marz, and Woodruff, who notified Defendant within one (1) year of their contract dates that they wished to void their contracts and receive refunds of all consideration paid to Defendant, as referenced in paragraphs 11, 20, and 31 above, have a statutory right to void their business opportunity contracts with Defendant in accordance with Ind. Code § 24-5-8-16.

**COUNT II – VIOLATIONS OF THE INDIANA DECEPTIVE
CONSUMER SALES ACT**

46. The State of Indiana realleges and incorporates by reference the allegations contained in paragraphs 1 through 45 above.

47. In accordance with Ind. Code § 24-5-8-20, Defendant's violations of Indiana's Business Opportunity Transactions Act, Ind. Code 24-5-8-1 *et seq.* are also violations of Indiana's Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*

**COUNT III– KNOWING AND INTENTIONAL VIOLATIONS OF THE
DECEPTIVE CONSUMER SALES ACT**

48. The State of Indiana realleges and incorporates by reference the allegations contained in paragraphs 1 through 46 above.

49. Defendant committed the deceptive acts set forth above with knowledge and intent to deceive.

RELIEF

WHEREFORE, Plaintiff, State of Indiana, requests the Court to enter a judgment against Defendant and order the following relief:

- a. A permanent injunction pursuant to Ind. Code § 24-5-8-18 and Ind.

Code § 24-5-0.5-4(c)(1), enjoining Defendant, its agents, representatives, employees, successors, and assigns from engaging in conduct in violation of Ind. Code § 24-5-8-1 *et seq.*, or Ind. Code § 24-5-0.5-1 *et seq.*;

b. Avoidance or, in the alternative, cancellation of Defendant's business opportunity contracts with investors, including but not limited to Schaugg, Marz, and Woodruff, pursuant to Ind. Code § 24-5-8-15, 16 and Ind. Code § 24-5-0.5-4(d);

c. Consumer restitution, pursuant to Ind. Code § 24-5-0.5-4(c)(2) and (d), payable to the Office of the Attorney General for the benefit of consumers as follows:

- i. William Schaugg, in the amount of Twenty Thousand Dollars (\$20,000.00);
- ii. Dr. Richard Marz, in the amount of Six Thousand Five Hundred Dollars (\$6,500.00); and
- iii. Gaylyn Woodruff, in the amount of Thirteen Thousand Dollars (\$13,000.00);

d. Costs pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;

e. On Count III of Plaintiff's Complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-4(g), in the amount of Five Thousand Dollars (\$5,000.00) per knowing violation of the Indiana Deceptive Consumer Sales Act, payable to the State of Indiana;

- f. On Count III of Plaintiff's Complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-8, in the amount of Five Hundred Dollars (\$500.00) per intentional violation of the Indiana Deceptive Consumer Sales Act, payable to the State of Indiana; and
- g. All other just and proper relief.

Respectfully submitted,

STEVE CARTER
Attorney General of Indiana
Attorney No. 4150-64

by: Lisa Ward
Lisa Ward
Deputy Attorney General
Attorney No. 26140-49

Office of the Attorney General
Indiana Government Center South, 5th floor
302 W. Washington Street
Indianapolis, IN 46204
(317) 234-2354

LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made as of January 7, 2006, by and between Daily Brew Building Sales LLC DBA Bear Creek Coffee, a limited liability company organized and existing under the laws of the State of Indiana, whose principal place of business is located at 8103 E. U.S. Hwy 36, Avon, Indiana 46123 (hereinafter referred to as "Licensor"), and William Schaugg of Rochester Hills, Michigan (hereinafter referred to as "Licensee").

RECITALS

WHEREAS, Licensor is the owner and proprietor of and has employed the trade name and/or associated trademark "Bear Creek Coffee Company" in association with, in connection with the marketing of, and to identify, certain products, said trademark having thereby become symbolic of the goodwill and reputation established with respect to those products and of Licensor (hereafter collectively referred to as the "Mark"); and

WHEREAS, it is the desire and intention of the parties that the Licensee be permitted to use the Mark at the location specified within the State of Michigan described in Exhibit A hereto (hereinafter referred to as the "Location") in association with the sale of quality food and beverage products ("Products") as Licensee may subsequent hereto sell in association with the Mark on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above and other valuable consideration, and the payment by Licensee of \$5,000.00 (credited from \$92,500 Asset Purchase Agreement) to Licensor upon the execution of this agreement, the parties hereto hereby agree as follows:

1. License. Licensor grants to Licensee the exclusive, personal, and perpetual right and license to use the Mark at the Location in connection with the use and sale of the Products at the Location. This grant of this right and license shall not extend to mail order or internet sales or other similar sales methods, which are the exclusive province of Licensor and are not granted to Licensee hereunder. This right and license is transferable with the knowledge and consent of the Licensor.

2. Other. Licensor also grants to Licensee use of proprietary information or other intellectual property of Seller, including, without limitation, the right to use trade names, trademarks, recipes, operation manuals, suppliers, etc.

3. Exclusions. Notwithstanding the grant of the License in Section 1 above, Licensor may grant licenses for the use of the Mark within the Territory to operators within semi-self contained facilities such as enclosed shopping malls, military bases, amusement parks and the like, and Licensor may sell the Products directly to the public by agreement with grocery stores, convenience stores and other primarily non-coffee shop retail establishments, without any obligation to Licensee.

4. Quality of Goods. Licensee shall distribute and sell the Products and shall use the Mark only with the distribution of Products of standards of quality which may be furnished to Licensee by Licensor or its representatives or agents from time to time, and the quality of the Products shall be satisfactory to Licensor in its discretion. Licensee shall permit representatives of Licensor to inspect, on the premises of Licensee, at all reasonable times, the Products and the facilities for preparation and sale of the Products, and Licensee shall, upon request of Licensor, submit to Licensor or to its representatives, samples of the Products which it sells or intends to sell under or associate with the Mark for the purposes of ascertaining or determining compliance with this paragraph. Licensee shall also, upon request of Licensor, submit to

Mr. William Schaugg
187 Saxon Court
Rochester Hills, Michigan

Re: Letter Agreement Dated September 30, 2005 between Daily Brew Building Sales LLC DBA Bear Creek Building Sales (Seller) and William Schaugg (Purchaser) of Rochester Hills, Michigan.

Dear Bill,

Thank your interest in Bear Creek Coffee. The purpose of this letter is to outline our understanding of the terms and conditions under which you may be prepared to purchase one of our specialty coffee drive through buildings together with the equipment and services agreed to be included in the purchase price. Set forth below is a summary of such terms. Please sign and return this Letter of Intent prior to your visit.

**Description
of Building
and Equipment:**

One (1) 8' x 14' specialty coffee-thru kiosk and equipment as described in Exhibit A hereto.

**Purchase
Price:**

\$92,500 Building and equipment, licensing and training

Terms:

\$20,000 Deposit, 1st draw \$31,250, 2nd draw \$31,250, & \$10,000 at delivery.
The deposit is 100% refundable immediately anytime after the visit on 6/25 if the purchasers decide not to purchase the specialty coffee drive-thru business.

**Site
Development:**

Site Location Assistance, lease negotiation assistance

**Delivery
and
Installation:**

Assistance from Bear Creek

Zoning:

Assistance from Bear Creek

Permits:

Assistance from Bear Creek

Training:

Included, with manuals

Grand Opening:

Assistance from Bear Creek

If you have any questions please call me at 317.258.1060.

X Jeremie Johnson
Seller

10-8-05

X William Schaugg
Buyer

X Alan Krump
Buyer

Jeremie Johnson
President, Daily Brew Building Sales, LLC DBA Bear Creek Building Sales



LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made as of 3-11-06, by and between Daily Brew Building Sales LLC DBA Bear Creek Coffee, a partnership organized and existing under the laws of the State of Indiana, whose principal place of business is located at 8103 E. U.S. Hwy 36, Avon, Indiana 46123 (hereinafter referred to as "Licensor"), and Gaylyn Woodruff, Melbourne Florida (hereinafter referred to as "Licensee"). *(Entity to be determined)*

RECITALS

WHEREAS, Licensor is the owner and proprietor of and has employed the trade name and/or associated trademark "Bear Creek Coffee Company" in association with, in connection with the marketing of, and to identify, certain products, said trademark having thereby become symbolic of the goodwill and reputation established with respect to those products and of Licensor (hereafter collectively referred to as the "Mark"); and

WHEREAS, it is the desire and intention of the parties that the Licensee be permitted to use the Mark at the location specified within the State of Florida described in Exhibit A hereto (hereinafter referred to as the "Location") in association with the sale of quality food and beverage products ("Products") as Licensee may subsequent hereto sell in association with the Mark on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above and other valuable consideration, and the payment by Licensee of \$5,000.00 Five thousand dollars to Licensor upon the execution of this agreement, the parties hereto hereby agree as follows:

1. License. Licensor grants to Licensee the exclusive, personal, perpetual and non-transferable right and license to use the Mark at the Location in connection with the use and sale of the Products at the Location. This grant of this right and license shall not extend to mail-order or internet sales or other similar sales methods, which are the exclusive province of the Licensor and are not granted to Licensee hereunder. Subject to the exclusions set forth in Section 2 below, Licensor agrees not to grant a license of the Mark to any other person or entity within a five mile radius of the Location (such restricted area is hereinafter referred to as the "Territory").

2. Exclusions. Notwithstanding the grant of License in Section 1 above, Licensor may grant licenses for the use of the Mark within the Territory to operators within semi-self contained facilities such as enclosed shopping malls, military bases, amusement parks and the like, and Licensor may sell the Products directly to the public by agreement with grocery stores, convenience stores and other primarily non-coffee shop retail establishments, without any obligation to Licensee.

3. Quality of Goods. Licensee shall distribute and sell the Products and shall use the Mark only with the distribution of Products of standards of quality which may be furnished to Licensee by Licensor or its representatives or agents from time to time, and the quality of the Products shall be satisfactory to Licensor in its sole discretion. Licensee shall permit representatives of Licensor to inspect, on the premises of Licensee, at all times, the Products and the facilities for preparation and sale of the Products, and Licensee shall, upon request of Licensor, submit to Licensor or to its representatives, samples of the Products which it sells or intends to sell under or associate with the Mark for the purposes of ascertaining or determining compliance with this paragraph 3. Licensee shall also, upon request of Licensor, submit to Licensor or its representative's samples of all labels and containers bearing the Mark and all advertising and related literature containing the Mark and/or a description of the Products. Such labels, containers, advertising and related literature shall be satisfactory to Licensor in its reasonable discretion.

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement"), is made as of 3-12-06, between Daily Brew Building Sales, LLC, an Indiana limited liability company (referred to hereafter as "Seller"), and Gaylyn Woodruff (referred to hereafter as "Purchaser").

WITNESSETH:

WHEREAS, Seller designs and manufactures prefabricated outdoor kiosks that may be used for the operation of a drive-thru coffee business (the "Kiosk");

WHEREAS, the Kiosk is constructed pursuant to the specifications as set forth in Exhibit A hereto; and

WHEREAS, Purchaser desires to purchase one or more Kiosks from Seller pursuant to the terms and conditions as set forth herein

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

1. **PURCHASE OF ASSETS.** The foregoing recitals are true and correct and are incorporated by reference herein. Subject to the terms and conditions hereof, on the Closing Date (as defined herein), Seller shall assign, sell, transfer, convey and deliver to Purchaser good and marketable title to one (1) Kiosks (see Exhibit B on terms and delivery of Kiosk), within ninety (90) days of municipal approval.

2. **PURCHASE PRICE.** In payment for the Kiosk(s), Purchaser, at the closing shall pay to Seller the sum of Ninety-two Thousand, Five Hundred Dollars and 00/100 Dollars (\$92,500.00) ("Purchase Price") for one (1) Kiosk, of which is due upon execution of this Agreement) (See Exhibit B for draw schedules).

3. **DELIVERY OF KIOSKS.** Purchaser to bear all cost and expense for the shipping of the Kiosk(s); and that it accepts delivery of the Kiosk on the Completion Date at its business location after Kiosk is installed, inspected, and accepted by Purchaser. Kiosks are shipped FOB origin.. Additionally, Purchaser may at its option inspect any Kiosk at Seller's place of business before executing 2nd draw. Seller will have a qualified representative and approved contractor on Purchaser's site to perform the final installation of Kiosk.

4. **REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

a. **Due Diligence.** Purchaser has completed all of its due diligence concerning the Kiosk(s) and has had ample opportunity to have this Agreement reviewed by its financial and legal advisors.

b. **Limited Warranty.** Daily Brew Building Sales LLC warrants each product to be free from defects in material and workmanship under normal use and service for one (1) year from date of acceptance by Purchaser. The obligation of Daily Brew Building Sales LLC under this warranty is limited to the replacement of defective parts or repair. Notice of defect and defective parts must be submitted to Daily Brew Building Sales LLC within one (1) year and fifteen (15) days of acceptance by Purchaser. This warranty does not cover shipping, handling, freight charges, or duties.

c. **Other.** Purchaser is only purchasing the Kiosk(s) and is not purchasing any other proprietary information or intellectual property of Seller, including, without limitation, the right to use tradenames, trademarks, operation manuals, suppliers, etc. except as noted in License Agreement.

3/12/2006

